

Message Text

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JUSTICE DEPT:RGIULIANI

IRS:LWIGRISER

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SEC: DIV. OF ENF. - T. LEVINE, IRS: LWIGRISER, ASSOCIATE CHIEF

COUNSEL GENERAL, JUSTICE: RGIULIANI, OF. OF DEP. ATTY. GENERAL

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TAGS: CFED, EFIN, SZ

SUBJECT: SEC ACTION AGAINST AMERICAN INSTITUTE COUNSELORS
ET AL.

1. TEXTS DRAFTED BY SEC OF CONSENT OF PROGRESS GROUP,
STATEMENTS OF INTENTION OF SBC AND SEC, AND ORDER OF SWISS
BANKING COMMISSION FOLLOW:

2. BEGIN TEXT: CONSENT AND UNDERTAKING

PROGRESS FOUNDATION, MONDIAL COMMERCIAL LIMITED, FRIENDS
OF AIER FELLOWSHIP FOUNDATION, WORLD ECONOMIC RESEARCH
TRUST REGISTERED AND MONTE SOLE, S.A. (SOMETIMES HEREIN-
AFTER REFERRED TO AS THE "PROGRESS GROUP") HEREBY:

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I. CONSENT TO THE JURISDICTION OF THE SWISS BANKING
COMMISSION OVER THE MATTERS REFERRED TO IN THE FORM OF THE
ORDER ANNEXED HERETO AND THE ENTRY OF AN ORDER IN SUCH FORM
WITHOUT FURTHER NOTICE.

II. CONSENT TO ANY ACTION TAKEN BY THE SWISS BANKING COMMISSION PURSUANT TO THE FORM OF ORDER ANNEXED HERETO AND ALL SUCH FURTHER ORDERS BY THE SWISS BANKING COMMISSION AND ALL ACTIONS BY THE SWISS BANKING COMMISSION, THE

AUDITOR OR OTHER PERSONS DESIGNATED BY THE SWISS BANKING COMMISSION AS MAY BE NECESSARY TO ACCOMPLISH THE MATTERS CONTEMPLATED THEREIN.

III. AGREE THAT, UPON ISSUANCE IN THE FORM ANNEXED HERETO, THE ORDER AND ANY OTHER ORDERS OF THE SWISS BANKING COMMISSION SHALL BE FINAL AND WAIVE ALL OBJECTIONS TO, AND ALL RIGHTS OF APPEAL FROM, SUCH ORDERS.

IV. AGREE THAT, IMMEDIATELY UPON THE ISSUANCE OF THE ORDER OF THE SWISS BANKING COMMISSION, IN THE FORM ANNEXED HERETO, EACH SHALL EXECUTE AND DELIVER TO THE SWISS BANKING COMMISSION A FURTHER WAIVER AND CONSENT CONTAINING ARTICLES I, II, AND III OF THIS CONSENT AND UNDERTAKING AND SHALL EXECUTE SUCH OTHER CONSENTS AND DOCUMENTS IN CONNECTION WITH THE ANNEXED ORDER AND ANY OTHER ORDER ISSUED BY THE SWISS BANKING COMMISSION AS THE SWISS BANKING COMMISSION MAY DETERMINE TO BE NECESSARY OR DESIRABLE TO ACCOMPLISH THE MATTERS CONTAINED IN THE ORDER ANNEXED HERETO.

V. UNDERTAKE THAT EACH WILL NOT, DIRECTLY OR INDIRECTLY THROUGH AFFILIATES, ENGAGE IN ANY ACTIVITY RELATING TO (A) THE MANAGEMENT OF FUNDS OR ASSETS OF U.S. CITIZENS, INDIVIDUALLY OR COLLECTIVELY, OR (B) THE OFFER OR SALE OF SECURITIES IN THE UNITED STATES.

VI. UNDERTAKE THAT EACH WILL COOPERATE FULLY WITH THE SWISS BANKING COMMISSION AND THE AUDITOR DESIGNATED BY THE SWISS BANKING COMMISSION AND MAKE AVAILABLE TO THEM ALL BOOKS AND RECORDS AND OTHER INFORMATION NECESSARY TO LIMITED OFFICIAL USE
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CARRY OUT THE ORDERS OF THE SWISS BANKING COMMISSION.

VII. AGREE TO BEAR A PROPORTIONAL SHARE OF THE EXPENSES NECESSARY TO CARRY OUT THE ORDER OF THE SWISS BANKING COMMISSION INCLUDING THE EXPENSES OF THE SPECIAL COUNSEL AND AUDITOR UP TO \$(BLANK).

VIII. THE EFFECTIVENESS OF THIS CONSENT AND UNDERTAKING IS SUBJECT TO:

A. THE ISSUANCE BY THE U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA OF AN ORDER, OR ORDERS AS MAY BE NECESSARY PROVIDING THAT:

(1) ANY PERSON OR ENTITY WILL NOT BE LIABLE TO ANY U.S. INVESTOR SOLELY BY VIRTUE OF ANY ACTION TAKEN UNDER THIS ORDER WHERE SUCH ACTION HAS BEEN APPROVED BY THE SWISS BANKING COMMISSION AND THE U.S. COURT; AND

(2) THE U.S. COURT WILL TAKE SUCH ACTION AS IT DEEMS APPROPRIATE PROTECTING SUCH PERSON OR ENTITY FROM BEING LIABLE BY VIRTUE OF SUCH ACTION.

B. THE U.S. COURT APPROVING THE ORDER IN THE FORM ANNEXED HERETO. (THREE SIGNATURE LINES.) END TEXT.

3. BEGIN TEXT: STATEMENT OF INTENTION OF THE SWISS BANKING COMMISSION

THE SWISS BANKING COMMISSION HAVING JURISDICTION OVER THIS MATTER UNDER THE LAWS OF SWITZERLAND; PROGRESS FOUNDATION, MONDIAL COMMERCIAL LIMITED, FRIENDS OF AIER FELLOWSHIP FOUNDATION, WORLD ECONOMIC RESEARCH TRUST REGISTERED AND MONTE SOLE, S.A. BY THE ATTACHED CONSENT HAVING CONSENTED TO THE JURISDICTION OF THE SWISS BANKING COMMISSION OVER THIS MATTER; THE SWISS BANKING COMMISSION HAVING A COMMON OBJECTIVE WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OF ASSURING A FAIR AND EQUITABLE DISTRIBUTION OF ASSETS TO INVESTORS IN THIS MATTER WHICH IS INTERNATIONAL IN NATURE.

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IT IS THE INTENTION OF THE SWISS BANKING COMMISSION, UPON APPROVAL OF THE U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA TO ISSUE THE ORDER IN THE FORM ATTACHED HERETO AND TO TAKE ALL STEPS NECESSARY TO CARRY OUT ITS TERMS AND PROVISIONS AS SET FORTH THEREIN, AND TO ACT IN A MANNER CONSISTENT WITH THE PROVISIONS THERETO. (ONE SIGNATURE LINE, SWISS BANKING COMMISSION.) END TEXT

4. BEGIN TEXT: STATEMENT OF INTENTION OF THE SECURITIES AND EXCHANGE COMMISSION

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION HAVING ENGAGED IN DISCUSSIONS WITH REPRESENTATIVES OF THE GOVERNMENT OF SWITZERLAND IN ORDER TO ACCOMPLISH A FAIR AND EQUITABLE DISTRIBUTION OF ASSETS TO INVESTORS IN THIS MATTER, WHICH IS INTERNATIONAL IN NATURE; THE SECURITIES AND EXCHANGE COMMISSION HAVING INSTITUTED A CIVIL INJUNCTIVE ACTION IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA ("U.S. COURT") AGAINST AMERICAN INSTITUTE COUNSELORS INC. ("AIC"), ET AL. WHICH IS STILL PENDING;

IT IS THE INTENTION OF THE SECURITIES AND EXCHANGE COM-

MISSION TO OBTAIN THE APPROVAL OF THE U.S. COURT OF THE MATTERS CONTAINED IN THE ORDER OF THE SWISS BANKING COMMISSION ("ORDER") ATTACHED HERETO AND ANY ADDITIONAL APPROVALS NECESSARY TO CARRY OUT THE PROVISIONS OF SUCH AN

ORDER. MOREOVER, THE SECURITIES AND EXCHANGE COMMISSION WILL COOPERATE FULLY TO ASSURE THAT THE TERMS AND OBJECTIVES OF THE ORDER ARE CARRIED OUT AND THE SECURITIES AND EXCHANGE COMMISSION WILL ABIDE BY THE TERMS AND CONDITIONS OF THE ORDER INCLUDING THOSE CONDITIONS SET FORTH IN PARAGRAPHS VI, VII, AND VIII WHICH PERTAIN TO THE RECEIPT OF THE NAMES OF INVESTORS.

THE SECURITIES AND EXCHANGE COMMISSION WILL ALSO SEEK TO OBTAIN AN ORDER, OR ORDERS, AS MAY BE NECESSARY, OF THE U.S. COURT PROVIDING THAT:

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A. ANY PERSON OR ENTITY WILL NOT BE LIABLE TO ANY U.S. INVESTOR SOLELY BY VIRTUE OF ANY ACTION TAKEN UNDER THIS ORDER WHERE SUCH ACTION HAS BEEN APPROVED BY THE SWISS BANKING COMMISSION AND THE U.S. COURT; AND

B. THE U.S. COURT WILL TAKE SUCH ACTION AS IT DEEMS APPROPRIATE PROTECTING SUCH PERSON OR ENTITY FROM BEING LIABLE BY VIRTUE OF SUCH ACTION.

FURTHER, THE SECURITIES AND EXCHANGE COMMISSION WILL COOPERATE AND PROVIDE THE NECESSARY INFORMATION AND RECORDS TO THE AUDITOR AND THE SWISS BANKING COMMISSION IN ORDER TO CARRY OUT THE PROVISIONS OF THE ORDER.

FINALLY, THE SECURITIES AND EXCHANGE COMMISSION WILL PROVIDE THE SWISS BANKING COMMISSION WITH A COPY OF ANY REPORT BY THE SPECIAL COUNSEL WHO WAS APPOINTED BY THE U.S. COURT. (ONE SIGNATURE LINE, SECURITIES AND EXCHANGE COMMISSION.) END TEXT

5. BEGIN TEXT: ORDER OF SWISS BANKING COMMISSION

PROGRESS FOUNDATION ("PROGRESS"), MONDIAL COMMERCIAL LIMITED ("MONDIAL"), FRIENDS OF AIER FELLOWSHIP FOUNDATION ("FRIENDS OF AIER") WORLD ECONOMIC RESEARCH TRUST REGISTERED ("WERTREG") AND MONTE SOLE, S.A. ("MONTE SOLE") (SOMETIMES HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PROGRESS GROUP"), BY THE ATTACHED CONSENT DATED MARCH , 1976, HAVING CONSENTED TO THE JURISDICTION OF THE SWISS BANKING COMMISSION OVER THIS MATTER AND TO ITS ISSUANCE OF THIS ORDER; THE SWISS BANKING COMMISSION HAVING JURISDICTION OVER THIS MATTER WHICH IS INTERNATIONAL IN NATURE

IN THAT THE GREAT BULK OF THE ASSETS UNDER THE CONTROL OF CERTAIN ENTITIES AND INDIVIDUALS IN SWITZERLAND IN SWISS BANKING INSTITUTIONS WERE THE SUBJECT OF INTERESTS OF U.S. INVESTORS AND CERTAIN OF THE ACTIONS CONTEMPLATED BY THIS ORDER EXPECTED TO OCCUR WITHIN THE TERRITORIAL BOUNDARIES

OF THE UNITED STATES; THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION HAVING INSTITUTED A CIVIL INJUNCTIVE ACTION IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT LIMITED OFFICIAL USE
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OF COLUMBIA (THE "U.S. COURT") AGAINST AMERICAN INSTITUTE COUNSELORS, INC. ("AIC"), ET AL.; THE SECURITIES AND EXCHANGE COMMISSION HAVING PRESENTED TO THE U.S. COURT THIS ORDER; AND THE U.S. COURT HAVING APPROVED THE TERMS AND PROVISIONS OF THIS ORDER AND ISSUED APPROPRIATE ORDERS WITH RESPECT HERETO;

IT IS HEREBY ORDERED THAT:

I. THERE SHALL BE DISTRIBUTED TO INVESTORS IN A MANNER TO BE DETERMINED BY THE SWISS BANKING COMMISSION, WITH SAID DISTRIBUTION TO BE SATISFACTORY TO THE SECURITIES AND EXCHANGE COMMISSION AND APPROVED BY THE U.S. COURT AND IN ACCORDANCE WITH THE PROCEDURES SET FORTH IN THIS ORDER, ALL ASSETS (WHICH MAY BE, IN WHOLE OR IN PART, IN KIND) HELD BY MONDIAL IN THE METRIC ACCOUNTING UNIT STORAGE AGREEMENTS, METRIC ACCOUNTING UNIT SURVIVAL CONTRACTS, MONTE SOLE PARTICIPATING LEASES, SOVEREIGN CONTRACTS, AND GOLD COIN COLLECTIONS SUB-ACCOUNTS, ALL ASSETS HELD BY FRIENDS OF AIER, WERTREG OR MONTE SOLE AND ANY ADDITIONAL ASSETS HELD BY ANY MEMBER OF THE PROGRESS GROUP TO WHICH INVESTORS ARE ENTITLED EXCEPT THAT THE ASSETS DESCRIBED IN ARTICLE XIII OF THIS ORDER SHALL BE DISPOSED OF IN A MANNER SET FORTH THEREIN.

II. SWISS BANKING COMMISSION SHALL DESIGNATE AN INTERNATIONAL AUDITOR SATISFACTORY TO THE SECURITIES AND EXCHANGE COMMISSION AND APPROVED BY THE U.S. COURT.

III. THE DUTIES OF THE AUDITOR DESIGNATED PURSUANT TO ARTICLE II HEREOF SHALL BE AS FOLLOWS:

A. CONDUCT AN AUDIT IN ACCORDANCE WITH UNITED STATES STANDARDS OF AUDITING OF THE PROGRESS GROUP, TO THE EXTENT PRACTICABLE, FOR THE PERIOD FROM JANUARY 1, 1973 TO THE PRESENT TO ASCERTAIN ALL ASSETS HELD BY MONDIAL IN THE METRIC ACCOUNTING UNIT STORAGE AGREEMENTS, METRIC ACCOUNTING UNIT SURVIVAL CONTRACTS, MONTE SOLE PARTICIPATING LEASES, SOVEREIGN CONTRACTS, GOLD COIN COLLECTIONS SUB-ACCOUNTS, ALL ASSETS HELD BY FRIENDS OF AIER, WERTREG OR

MONTE SOLE, AND ANY ADDITIONAL ASSETS HELD BY ANY MEMBER
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OF THE PROGRESS GROUP TO WHICH INVESTORS ARE ENTITLED;

B. PREPARE A BALANCE SHEET FOR MONDIAL, THE METRIC
ACCOUNTING UNIT STORAGE AGREEMENTS, METRIC ACCOUNTING UNIT
SURVIVAL CONTRACTS, MONTE SOLE PARTICIPATING LEASES,

SOVEREIGN CONTRACTS AND GOLD COIN COLLECTIONS SUBACCOUNTS,
FRIENDS OF AIER, WERTREG AND MONTE SOLE AS OF THE MOST
RECENTLY PRACTICABLE DATE;

C. REVIEW THE EXTENT TO WHICH FUNDS OR ASSETS, IF ANY,
HAVE BEEN DISSIPATED OR CONCEALED, OR DISPOSED OF IL-
LEGALLY OR BY BREACH OF ANY DUTY TO INVESTORS OR UTILIZED
IN A MANNER INCONSISTENT WITH WRITTEN REPRESENTATIONS FUR-
NISHED TO, OR CONTRACTS WITH, INVESTORS;

D. DETERMINE IF ANY BOOKS, RECORDS, DOCUMENTS, CORRES-
PONDENCE, LEDGERS OR OTHER PROPERTY HAVE BEEN DESTROYED,
MUTILATED, CONCEALED, ALTERED OR DISPOSED OF ILLEGALLY;

E. REVIEW THE ACCOUNT OF EACH PRESENT OR FORMER INVESTOR
IN ORDER TO DETERMINE ALL INVESTMENTS, TRANSACTIONS, DIS-
TRIBUTIONS AND WITHDRAWALS IN SUCH ACCOUNTS; AND

F. REVIEW THE PROPRIETY OF ALL TRANSACTIONS BETWEEN THE
ENTITIES IN THE PROGRESS GROUP OR OTHER AFFILIATES OF SUCH
ENTITIES;

G. MAKE A RECOMMENDATION, WITH THE ADVICE AND
ASSISTANCE OF THE SPECIAL COUNSEL APPOINTED BY THE U.S.
COURT, OF A PLAN OF DISTRIBUTION, WHICH SHALL PROVIDE FOR
THE AMOUNT TO BE DISTRIBUTED TO EACH INVESTOR PURSUANT TO
THE DISTRIBUTION REFERRED TO IN ARTICLE I ABOVE, AND THE
METHOD BY WHICH SUCH DISTRIBUTION SHALL BE ACCOMPLISHED;

H. CARRY OUT THE PLAN OF DISTRIBUTION UNDER THE SUPER-
VISION OF THE SWISS BANKING COMMISSION; AND

I. PREPARE A REPORT OR REPORTS OF THE FOREGOING WHICH
WILL BE SUBMITTED TO THE SWISS BANKING COMMISSION, THE
SECURITIES AND EXCHANGE COMMISSION AND THE U.S. COURT.
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IV. IN CONNECTION WITH THE AUDIT DESCRIBED IN ARTICLE
III ABOVE THE AUDITOR SHALL GIVE APPROPRIATE CONSIDERATION

TO THE AUDIT BEING PERFORMED BY CURATOR.

V. THE AUDITOR DESIGNATED PURSUANT TO ARTICLE II ABOVE MAY CONSULT WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE SPECIAL COUNSEL IN CONNECTION WITH ITS PERFORMANCE OF ITS DUTIES SET FORTH IN ARTICLE III ABOVE.

VI. ALL INFORMATION OBTAINED BY THE AUDITOR DESIGNATED PURSUANT TO ARTICLE II ABOVE, AND CURATOR SHALL BE MADE AVAILABLE TO THE SWISS BANKING COMMISSION AND THE SECURITIES

AND EXCHANGE COMMISSION WITHOUT LIMITATION; PROVIDED, HOWEVER, THAT THE NAMES OF INVESTORS WILL BE OMITTED FROM INFORMATION MADE AVAILABLE TO THE SECURITIES AND EXCHANGE COMMISSION AND A NUMERICAL CODE WILL BE SUBSTITUTED. THE CODE WILL BE MAINTAINED UNDER THE JURISDICTION OF THE GOVERNMENT OF SWITZERLAND AND WILL BE PROVIDED TO THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SAME TERMS AND CONDITIONS AS SET FORTH IN ARTICLE VII BELOW.

VII. UNLESS OTHERWISE AUTHORIZED BY SWISS BANKING COMMISSION, NAMES OF INVESTORS WILL ONLY BE FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION UNDER THE FOLLOWING ARRANGEMENT:

A. THE NAMES WILL BE USED SOLELY FOR THE PURPOSES OF THE DISTRIBUTION OF ASSETS; AND

B. THE NAMES WILL BE MADE AVAILABLE TO THE SECURITIES AND EXCHANGE COMMISSION IN A MANNER AND AT A PLACE CONVENIENT FOR EXAMINATION UNDER APPROPRIATE CONDITIONS TO ASSURE THAT SUCH INFORMATION WILL REMAIN UNDER THE JURISDICTION OF THE GOVERNMENT OF SWITZERLAND.

VIII. NOTWITHSTANDING ARTICLES VI AND VII ABOVE, ALL INFORMATION CONCERNING INVESTORS AND THEIR ACCOUNTS, INCLUDING BUT NOT LIMITED TO THE NAMES OF INVESTORS AND THE CORRESPONDING INVESTOR'S NUMERICAL CODE, SHALL BE PRO-LIMITED OFFICIAL USE
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VIDED BY THE AUDITOR DESIGNATED PURSUANT TO ARTICLE II ABOVE AND CURATOR TO THE SECURITIES AND EXCHANGE COMMISSION WITHOUT LIMITATION IF:

A. THE SWISS BANKING COMMISSION DETERMINES THAT FRAUD OR MISREPRESENTATION HAS OCCURRED IN CONNECTION WITH THE SPECIFIC INVESTMENTS WITH WHICH THE INVESTORS ARE INVOLVED;

B. WRITTEN CONSENT OF THE INVESTOR IS OBTAINED; OR

C. THE INFORMATION IS PROVIDED WITH RESPECT TO INVESTORS WHOSE NAMES ARE ALREADY IN THE POSSESSION OF THE SECURITIES AND EXCHANGE COMMISSION.

NOTHING HEREIN SHALL PROHIBIT THE AUDITOR DESIGNATED PURSUANT TO ARTICLE II ABOVE FROM TESTIFYING OR PRODUCING DOCUMENTS IN ANY COURT OF COMPETENT JURISDICTION IN THE UNITED STATES OR BEFORE ANY UNITED STATES AGENCY OR OTHER GOVERNMENTAL ENTITY WITH RESPECT TO ANY MATTER PROVIDED THAT SUCH TESTIMONY OR PRODUCTION OF DOCUMENTS IS CONSISTENT WITH THIS ARTICLE.

IX. ALL ASSETS HELD BY MONDIAL IN THE METRIC ACCOUNTING UNIT STORAGE AGREEMENTS, METRIC ACCOUNTING UNIT SURVIVAL CONTRACTS, MONTE SOLE PARTICIPATING LEASES, SOVEREIGN CONTRACTS, AND GOLD COIN COLLECTIONS SUBACCOUNTS, ALL ASSETS HELD BY FRIENDS OF AIER, WERTREG OR MONTE SOLE AND ANY ADDITIONAL ASSETS HELD BY ANY MEMBER OF THE PROGRESS GROUP TO WHICH INVESTORS ARE ENTITLED ARE HEREBY FROZEN PENDING THE DISTRIBUTION OF SUCH ASSETS PURSUANT TO FURTHER ORDER OF SWISS BANKING COMMISSION, WHICH ORDER SHALL BE SATISFACTORY TO THE SECURITIES AND EXCHANGE COMMISSION AND APPROVED BY THE U.S. COURT. THIS ORDER SHALL BE SERVED ON ALL ENTITIES AND INDIVIDUALS HOLDING SUCH ASSETS.

X. THE DUTIES OF THE AUDITOR DESIGNATED PURSUANT TO ARTICLE II ABOVE SHALL BE ACCOMPLISHED IN SUCH PRIORITY AS MAY BE ESTABLISHED BY THE SWISS BANKING COMMISSION AND, IN CONNECTION THEREWITH, THE SWISS BANKING COMMISSION MAY LIMITED OFFICIAL USE
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DIRECT THE MAKING OF SUCH INTERIM REPORTS AS MAY BE NECESSARY.

XI. INTERIM DISTRIBUTIONS MAY BE MADE PRIOR TO THE COMPLETION OF THE DUTIES OF THE AUDITOR DESIGNATED PURSUANT TO ARTICLE II ABOVE, UPON SUCH TERMS AS MAY BE DIRECTED BY THE SWISS BANKING COMMISSION, IF SATISFACTORY TO THE SECURITIES AND EXCHANGE COMMISSION AND UPON APPROVAL OF THE U.S. COURT.

XII. THE PROGRESS GROUP SHALL COMPLY WITH THEIR UNDERTAKINGS THAT EACH:

A. WILL NOT, DIRECTLY OR INDIRECTLY THROUGH AFFILIATES, ENGAGE IN ANY ACTIVITIES RELATING TO (I) THE MANAGEMENT OF FUNDS OR ASSETS OF U.S. CITIZENS, INDIVIDUALLY OR COLLECTIVELY, OR (II) THE OFFER OR SALE OF SECURITIES IN THE UNITED STATES; AND

B. WILL COOPERATE FULLY WITH THE SWISS BANKING COMMISSION AND THE AUDITOR DESIGNATED BY THE SWISS BANKING COMMISSION AND MAKE AVAILABLE TO THEM ALL BOOKS AND RECORDS AND OTHER INFORMATION NECESSARY TO CARRY OUT THE ORDERS OF THE SWISS BANKING COMMISSION.

XIII. THE DISPOSITION OF THE ASSETS WITH RESPECT TO THE RESERVED-LIFE-INCOME CONTRIBUTIONS TO AMERICAN INSTITUTE FOR ECONOMIC RESEARCH SHALL BE ACCOMPLISHED BY THE DELIVERY OF SUCH ASSETS INTO THE UNITED STATES IN A MANNER SATISFACTORY TO THE SECURITIES AND EXCHANGE COMMISSION AND APPROVED BY THE U.S. COURT.

XIV. THE SPECIAL COUNSEL APPOINTED BY THE U.S. COURT SHALL HAVE ACCESS TO THE INFORMATION TO BE MADE AVAILABLE TO THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SAME TERMS AND CONDITIONS AS DESCRIBED IN ARTICLES V, VI, AND VII ABOVE.

XV. ALL ACTIVITIES IN CONNECTION WITH ACCOMPLISHING THE DISTRIBUTION SHALL BE DONE IN A MANNER TO MINIMIZE COSTS TO INVESTORS. ALL COSTS OF SUCH ACTIVITIES, INCLUDING THE LIMITED OFFICIAL USE
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COSTS REFERRED TO IN PARAGRAPH XVI BELOW SHALL BE BORNE AS FOLLOWS IN A MANNER TO BE DETERMINED BY THE SWISS BANKING COMMISSION, WHICH IS SATISFACTORY TO THE SECURITIES AND EXCHANGE COMMISSION AND APPROVED BY THE COURT.

XVI. UPON APPLICATION TO THE U.S. COURT AND APPROVAL BY THE SWISS BANKING COMMISSION AND THE SECURITIES AND EXCHANGE COMMISSION, THE SPECIAL COUNSEL SHALL BE PAID REASONABLE COMPENSATION AND BE REIMBURSED FOR EXPENSES INCURRED IN CONNECTION WITH THE CARRYING OUT OF HIS DUTIES. UPON APPLICATION TO THE SWISS BANKING COMMISSION, AND APPROVAL BY THE SECURITIES AND EXCHANGE COMMISSION AND U.S. COURT, THE AUDITOR APPOINTED PURSUANT TO ARTICLE II HEREOF SHALL BE PAID REASONABLE COMPENSATION AND BE REIMBURSED FOR EXPENSES INCURRED IN CONNECTION WITH THE CARRYING OUT OF ITS DUTIES.

XVII. IN CONNECTION WITH ANY DISTRIBUTION, U.S. INVESTORS SHALL HAVE THE OPTION OF HAVING ASSETS TO WHICH THEY ARE ENTITLED RETURNED TO THE UNITED STATES OR MAINTAINED IN SWITZERLAND IN AN INDIVIDUAL ACCOUNT SO LONG AS SUCH ARRANGEMENT IS CONSISTENT WITH THE LAWS OF SWITZERLAND AND THE UNITED STATES LAWS AND ACCOMPLISHED IN A MANNER SATISFACTORY TO THE SWISS BANKING COMMISSION, THE SECURITIES AND EXCHANGE COMMISSION AND THE U.S. COURT. (ONE SIGNATURE LINE, SWISS BANKING COMMISSION.)

6. WE, OF COURSE, WOULD EXPECT THAT THE SWISS BANKING COMMISSION WILL WANT TO ADJUST THE TEXTS OF THE ORDER QUOTED ABOVE TO CONFORM TO SWISS PROCEDURES. WE WOULD HOPE, HOWEVER, BEFORE THE SWISS MAKE ANY MAJOR CHANGES OF SUBSTANCE THAT A CONFERENCE CALL COULD BE ARRANGED BETWEEN THE SWISS AND SEC AND STATE REPS AT THE SEC TO DISCUSS CHANGES.

7. DOCUMENTS SET FORTH ABOVE SHOULD BE DELIVERED ASAP TO SWISS AUTHORITIES AND WE HOPE THAT THEY WILL BE ABLE TO RESPOND AT AN EARLY DATE. THE SEC WOULD LIKE YOU TO CONVEY THEIR APOLOGIES FOR BEING SO LATE WITH THESE DOCUMENTS BUT MORE TIME WAS REQUIRED THAN WAS EXPECTED TO GET THE APPROVAL OF OTHER AGENCIES OF THE USG. KISSINGER

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